

relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) The general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with.

(e) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

Passed by the House on May 19, 2017: Yeas 137, Nays 7, 2 present, not voting; passed by the Senate on May 24, 2017: Yeas 30, Nays 1.

Filed without signature June 12, 2017.

Effective June 12, 2017.

**CREATION OF THE RIO DE VIDA MUNICIPAL UTILITY
DISTRICT NO. 1 AND THE CREATION OF THE
SOUTHWESTERN TRAVIS COUNTY GROUNDWATER
CONSERVATION DISTRICT; PROVIDING AUTHORITY TO
IMPOSE TAXES AND FEES; PROVIDING AUTHORITY TO
ISSUE BONDS**

CHAPTER 644

H.B. No. 4345

AN ACT

**relating to the creation of the Rio de Vida Municipal Utility District No. 1 and the
creation of the Southwestern Travis County Groundwater Conservation District;
providing authority to impose taxes and fees; providing authority to issue bonds.**

Be it enacted by the Legislature of the State of Texas:

ARTICLE 1. RIO DE VIDA MUNICIPAL UTILITY DISTRICT NO. 1

SECTION 1.01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8013 to read as follows:

CHAPTER 8013. RIO DE VIDA MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8013.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.*
- (2) "City" means the City of Austin, Texas.*
- (3) "Commission" means the Texas Commission on Environmental Quality.*
- (4) "County" means Travis County.*
- (5) "Director" means a board member.*
- (6) "District" means the Rio de Vida Municipal Utility District No. 1.*

Sec. 8013.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8013.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to

elect four permanent directors.

Sec. 8013.004. CONSENT OF CITY REQUIRED. (a) *The temporary directors may not hold an election under Section 8013.003 until the city has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.*

(b) *If the city does not consent to the creation of the district under this section before February 14, 2020:*

(1) *the district is dissolved February 14, 2020, except that:*

(A) *any debts incurred shall be paid;*

(B) *any assets that remain after the payment of debts shall be transferred to the city or another local governmental entity to be used for a public purpose; and*

(C) *the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and*

(2) *this chapter expires February 14, 2020.*

Sec. 8013.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) *The district is created to serve a public purpose and benefit.*

(b) *The district is created to accomplish the purposes of:*

(1) *a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution;*

(2) *Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads; and*

(3) *Section 52-a, Article III, Texas Constitution.*

(c) *By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.*

Sec. 8013.006. INITIAL DISTRICT TERRITORY. (a) *The district is initially composed of the territory described by Section 1.02 of the Act enacting this chapter.*

(b) *The boundaries and field notes contained in Section 1.02 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:*

(1) *organization, existence, or validity;*

(2) *right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;*

(3) *right to impose a tax; or*

(4) *legality or operation.*

Sec. 8013.007. ELIGIBILITY FOR INCLUSION IN TAX ABATEMENT REINVESTMENT ZONE. *All or any part of the area of the district is eligible to be included in a tax abatement reinvestment zone under Chapter 312, Tax Code.*

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8013.051. GOVERNING BODY; TERMS. (a) *The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.*

(b) *A director may not serve more than two full terms of four years.*

(c) *The board consists of:*

(1) *four elected directors; and*

(2) *one director appointed by the governing body of the city.*

(d) *A director appointed under Subsection (c)(2) is not required to reside in the district or to own real property in the district.*

(e) *The common law doctrine of incompatibility does not disqualify an elected official or employee of the city from being appointed as a director by the governing body of the city under Subsection (c)(2). A director appointed to the board may continue to serve in a public office or be employed by the city.*

Sec. 8013.052. **QUALIFICATIONS.** *Except as provided by Section 8013.051(d), to qualify to serve on the board, a person must:*

- (1) *reside in the district; or*
- (2) *own real property in the district.*

Sec. 8013.053. **TEMPORARY DIRECTORS.** (a) *On or after the effective date of the article of the Act enacting this chapter, the owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.*

(b) *Unless the district is dissolved and this chapter expires as provided by Section 8013.004, temporary directors serve until the earlier of:*

- (1) *the date permanent directors are elected under Section 8013.003; or*
- (2) *September 1, 2021.*

(c) *Section 8013.052 does not apply to a director appointed under this section.*

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8013.101. **GENERAL POWERS AND DUTIES.** *The district has the powers and duties necessary to accomplish the purposes for which the district is created.*

Sec. 8013.102. **MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.** *The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.*

Sec. 8013.103. **AUTHORITY FOR ROAD PROJECTS.** *Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or the city for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.*

Sec. 8013.104. **ROAD STANDARDS AND REQUIREMENTS.** (a) *A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of the city.*

(b) *If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.*

Sec. 8013.105. **COMPLIANCE WITH CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION.** (a) *The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district, including affordable housing requirements established in the consent agreement.*

(b) *Any agreement between the district and the city related to the city's consent to the creation of the district is valid and enforceable.*

(c) *On the issuance of bonds, the district is considered to have acknowledged and consented to the exercise of the city's authority as to actions taken by the city under Section 54.016(g), Water Code.*

Sec. 8013.106. **CONTRACT TO FURTHER REGIONAL COOPERATION.** *The district and city may contract on terms that the board and governing body of the city agree will further regional cooperation between the district and city.*

Sec. 8013.107. **GRADING AND IMPROVEMENTS TO LAND IN THE DISTRICT.** *The district may construct, acquire, improve, maintain, finance, or operate a facility or*

improvement related to reclaiming or grading land in the district.

Sec. 8013.108. *NO EMINENT DOMAIN POWER.* The district may not exercise the power of eminent domain.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8013.151. *DIVISION OF DISTRICT; PREREQUISITES.* The district may be divided into two or more new districts only if the district:

- (1) has no outstanding bonded debt; and
- (2) is not imposing ad valorem taxes.

Sec. 8013.152. *LAW APPLICABLE TO NEW DISTRICT.* This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Sec. 8013.153. *LIMITATION ON AREA OF NEW DISTRICT.* A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 1.02 of the Act enacting this chapter.

Sec. 8013.154. *CONSENT OF CITY OR COUNTY.* If the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of the city, the district may not divide under this subchapter unless the city by resolution or ordinance first consents to the division of the district.

Sec. 8013.155. *DIVISION PROCEDURES.* (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8013.003 to confirm the district's creation.

(c) An order dividing the district must:

- (1) name each new district;
- (2) include the metes and bounds description of the territory of each new district;
- (3) appoint temporary directors for each new district; and
- (4) provide for the division of assets and liabilities between the new districts.

(d) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

Sec. 8013.156. *TAX OR BOND ELECTION.* Before a new district created by the division of the district may impose a sales and use tax or an operation and maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8013.201. *ELECTIONS REGARDING TAXES OR BONDS.* (a) The district may issue, without an election, bonds and other obligations secured by:

- (1) revenue other than ad valorem taxes; or
- (2) contract payments described by Section 8013.203.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8013.202. *OPERATION AND MAINTENANCE TAX.* (a) If authorized at an election held under Section 8013.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) If required by an agreement between the district and city under Section 8013.106, the total ad valorem tax rate of the district may not be less than the total ad valorem tax rate of the city.

Sec. 8013.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8013.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, sales and use taxes, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8013.252. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8013.253. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SUBCHAPTER G. SALES AND USE TAX

Sec. 8013.301. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter except to the extent Chapter 321, Tax Code, is inconsistent with this chapter.

(b) A reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

Sec. 8013.302. ELECTION; ADOPTION OF TAX. (a) The district may adopt a sales and use tax if:

(1) the city consents to the adoption of the tax; and

(2) the tax is authorized by a majority of the voters of the district voting at an election held for that purpose.

(b) Subject to city consent under Subsection (a), the board by order may call an election to authorize the adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election.

(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Section 8013.201.

(d) The ballot shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the (insert name of district or name of new district created under Subchapter D) at a rate not to exceed ___ percent" (insert rate of one or more increments of one-eighth of one percent).

Sec. 8013.303. SALES AND USE TAX RATE. (a) Not later than the 10th day after the date the results are declared of an election held under Section 8013.302, at which the voters approved imposition of the tax authorized by this subchapter, the board shall determine the initial rate of the tax, which must be in one or more increments of one-eighth of one percent.

(b) *After the election held under Section 8013.302, the board may decrease the rate of the tax by one or more increments of one-eighth of one percent.*

(c) *The rate of the tax may not exceed the lesser of:*

(1) *the maximum rate authorized by the district voters at the election held under Section 8013.302;*

(2) *a rate that, when added to the rates of all sales and use taxes imposed by other political subdivisions with territory in the district, would result in the maximum combined rate prescribed by Section 321.101(f), Tax Code, at any location in the district; or*

(3) *the sales and use tax rate adopted by the City of Austin.*

(d) *The board shall notify the comptroller of any changes made to the tax rate in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.*

Sec. 8013.304. USE OF REVENUE. *Revenue from the sales and use tax imposed under this subchapter is for the use and benefit of the district and may be used for any district purpose. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations, and that pledge of revenue may be in combination with other revenue, including tax revenue, available to the district.*

Sec. 8013.305. ABOLITION OF TAX. (a) *The board may abolish the tax imposed under this subchapter without an election.*

(b) *If the board abolishes the tax, the board shall notify the comptroller of that action in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.*

(c) *If the board abolishes the tax or decreases the tax rate to zero, a new election to authorize a sales and use tax must be held under Section 8013.302 before the district may subsequently impose the tax.*

SUBCHAPTER H. MUNICIPAL ANNEXATION AND DISSOLUTION

Sec. 8013.401. APPLICABILITY OF LAW ON WATER-RELATED SPECIAL DISTRICT THAT BECOMES PART OF NOT MORE THAN ONE MUNICIPALITY. *Section 43.075, Local Government Code, applies to the district.*

Sec. 8013.402. STRATEGIC PARTNERSHIP; CONTINUATION OF DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) *The district may continue to exist as a limited district after full-purpose annexation by a municipality if the district and the annexing municipality state the terms of the limited district's existence in a strategic partnership agreement under Section 43.0751, Local Government Code.*

(b) *The strategic partnership agreement may provide for an original or renewed term of any number of years. The limitation in Section 43.0751(g)(2), Local Government Code, on the length of the term does not apply to a limited district created under this section.*

Sec. 8013.403. NOTICE OF FUTURE CITY ANNEXATION REQUIRED. (a) *Not later than the 30th day after the date the city consents to the creation of the district and to the inclusion of land in the district under Section 8013.004(a), the city shall file, in the real property records of the county, a notice to a purchaser of real property in the district that describes:*

(1) *the city's authority and intention to annex the district; and*

(2) *the anticipated date of the annexation.*

(b) *After the notice is filed, a person who proposes to sell or otherwise convey real property in the district must provide a copy of the notice to a purchaser of the property before selling or conveying the property to the purchaser.*

SECTION 1.02. The Rio de Vida Municipal Utility District No. 1 initially includes all the territory contained in the following area:

ALL THAT CERTAIN PARCEL OR TRACT OF LAND OUT OF THE REUBEN

HORNSBY SURVEY NO. 17, JOSEPH DUTY SURVEY NO. 20 AND THE JOHN BURLESON SURVEY NO. 33, TRAVIS COUNTY, TEXAS; BEING ALL OF THE FOLLOWING TRACTS OF LAND AS CONVEYED TO TXI OPERATIONS, L.P. BY DEEDS RECORDED IN THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS: A 353.08-ACRE TRACT (TO BE KNOWN AS PARCEL 01-1) AND A 65.12-ACRE TRACT (TO BE KNOWN AS PARCEL 01-2) IN VOLUME 12448, PAGE 737 AND VOLUME 13170, PAGE 656; A 65.12-ACRE TRACT (TO BE KNOWN AS PARCEL 01-2) IN VOLUME 13170, PAGE 656; A 102.188-ACRE TRACT (PARCEL NO. 1) (TO BE KNOWN AS PARCEL 02-1), A 29.008-ACRE TRACT (PARCEL NO. 2) (TO BE KNOWN AS PARCEL 02-2) AND A 10.743-ACRE TRACT (PARCEL NO. 3) (TO BE KNOWN AS PARCEL 02-3) IN VOLUME 12593, PAGE 2001; A 22.911-ACRE TRACT (TRACT 2) (TO BE KNOWN AS PARCEL 04-1) IN VOLUME 11985, PAGE 1238 AND VOLUME 13170, PAGE 656; A 19.253-ACRE TRACT (PARCEL 3) (TO BE KNOWN AS PARCEL 05-1), A 4.591-ACRE TRACT (PARCEL 1) (TO BE KNOWN AS PARCEL 06-1) AND A 16.931-ACRE TRACT (PARCEL 2) (TO BE KNOWN AS PARCEL 06-2) IN VOLUME 13304, PAGE 3306; A 52.487-ACRE TRACT (TO BE KNOWN AS PARCEL 08-1) IN VOLUME 13088, PAGE 429; A PORTION OF A 6.605-ACRE TRACT (TRACT 1) (TO BE KNOWN AS PARCEL 08-2) AND A 5.411-ACRE TRACT (TRACT 2) (TO BE KNOWN AS PARCEL 12-1) IN VOLUME 13088, PAGE 421; A 51.32-ACRE TRACT (TO BE KNOWN AS PARCEL 10-1) IN VOLUME 12703, PAGE 411 AND VOLUME 13170, PAGE 656; A 6.262-ACRE TRACT (TO BE KNOWN AS PARCEL 11-1) IN VOLUME 12835, PAGE 1489; A 22.967-ACRE TRACT (TO BE KNOWN AS PARCEL 13-1) IN VOLUME 9872, PAGE 77 AND VOLUME 13170, PAGE 656; A 14.272-ACRE TRACT (TRACT 8) (TO BE KNOWN AS PARCEL 14-1), A 21.100-ACRE TRACT (TRACT 9) (TO BE KNOWN AS PARCEL 15-1), A 32.738-ACRE TRACT (TRACT 17) (TO BE KNOWN AS PARCEL 17-1), A 8.051-ACRE TRACT (TRACT 12) (TO BE KNOWN AS PARCEL 18-1), A 9.744-ACRE TRACT (TRACT 13) (TO BE KNOWN AS PARCEL 18-2), A 9.752-ACRE TRACT (TRACT 14) (TO BE KNOWN AS PARCEL 18-3), A 15.981-ACRE TRACT (TRACT 15) (TO BE KNOWN AS PARCEL 18-4), A 19.127-ACRE TRACT (TRACT 16) (TO BE KNOWN AS PARCEL 18-5), A 10.274-ACRE TRACT (TRACT 10) (TO BE KNOWN AS PARCEL 21-1), A 9.825-ACRE TRACT (TRACT 11) (TO BE KNOWN AS PARCEL 21-2), A PORTION OF A 44.586-ACRE TRACT (TRACT 2) (TO BE KNOWN AS PARCEL 23-1), A PORTION OF A 15.959-ACRE TRACT (TRACT 7) (TO BE KNOWN AS PARCEL 23-2), A PORTION OF A 15.946-ACRE TRACT (TRACT 6) (TO BE KNOWN AS PARCEL 23-3) AND A PORTION OF A 14.135-ACRE TRACT (TRACT 3) (TO BE KNOWN AS PARCEL 28-1) IN VOLUME 12326, PAGE 1154 AND VOLUME 13170, PAGE 656; A 30.531-ACRE TRACT (TO BE KNOWN AS PARCEL 16-1) IN VOLUME 10967, PAGE 1219 AND VOLUME 13170, PAGE 656; A 30.531-ACRE TRACT (TO BE KNOWN AS PARCEL 16-1) IN VOLUME 10967, PAGE 1219 AND VOLUME 13170, PAGE 656; A 45.874-ACRE TRACT (TO BE KNOWN AS PARCEL 19-1) IN VOLUME 12270, PAGE 1633 AND VOLUME 13170, PAGE 656; A 13.853-ACRE TRACT (TO BE KNOWN AS PARCEL 20-1) IN VOLUME 12326, PAGE 1149 AND VOLUME 13170, PAGE 656; A PORTION OF A 32.403-ACRE TRACT (TRACT 4) (TO BE KNOWN AS PARCEL 22-1) AND A PORTION OF A 50.388-ACRE TRACT (TRACT 1) (TO BE KNOWN AS PARCEL 28-2) IN VOLUME 12326, PAGE 1109 AND VOLUME 13170, PAGE 656; AND A 83.838-ACRE TRACT (TO BE KNOWN AS PARCEL 27-1) IN VOLUME 11955, PAGE 972 AND VOLUME 13170, PAGE 656; AND ALSO BEING ALL OF THE FOLLOWING TRACTS OF LAND AS CONVEYED TO TXI OPERATIONS, L.P. BY DEEDS RECORDED IN THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS: A 49.994-ACRE TRACT (TRACT 1) (TO BE KNOWN AS PARCEL 03-1), A PORTION OF A 85.957-ACRE TRACT (TRACT 2) (TO BE KNOWN AS PARCEL 03-2), A PORTION OF A 41.043-ACRE TRACT (TRACT 3) (TO BE KNOWN AS PARCEL 03-3), A 69.542-ACRE TRACT (TRACT 4) (TO BE KNOWN AS PARCEL 03-4), A 55.299-ACRE TRACT (TRACT 5) (TO BE KNOWN AS PARCEL 03-5), A PORTION OF A 33.214-ACRE TRACT (TO BE KNOWN AS PARCEL 03-6) AND A 39.355-ACRE TRACT (TRACT 6) (TO BE KNOWN AS PARCEL 03-7) IN DOCUMENT NO. 1999152526; A 223.497-ACRE TRACT (TO BE KNOWN AS PARCEL 07-1) IN DOCUMENT NO. 2005002939; A 194.824-ACRE TRACT (TRACT A) (TO BE KNOWN AS PARCEL 09-1) AND A 67.418-ACRE TRACT (TRACT B) (TO BE KNOWN AS PARCEL 09-2) IN DOC-

UMENT NO. 2005007841; PORTIONS OF A 101.697-ACRE TRACT (TRACT 1) AND A 14.054-ACRE TRACT (TRACT 2) (TO BE KNOWN AS PARCEL 24-1) IN DOCUMENT NO. 1999148757; A 39.462-ACRE TRACT (TO BE KNOWN AS PARCEL 25-1) IN DOCUMENT NO. 2006133198; AND A 33.35-ACRE TRACT (TO BE KNOWN AS PARCEL 26-1) IN DOCUMENT NO. 2005007845; AND BEING MORE PARTICULARLY DESCRIBED IN FIVE (5) TRACTS BY METES AND BOUNDS AS FOLLOWS:

TRACT 1

BEGINNING at a calculated point at the intersection of the north bank of the Colorado River and the east right-of-way line of State Highway No. 130, at the southwest corner of the above-described Parcel 09-1, for the southwest corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the east right-of-way line of said State Highway No. 130, the following seven (7) courses:

- 1) N08°37'24"W a distance of 537.28 feet to a calculated angle point;
- 2) N01°34'38"W a distance of 3,468.10 feet to a calculated angle point;
- 3) N59°15'05"E a distance of 166.15 feet to a calculated angle point;
- 4) N08°13'09"E a distance of 547.29 feet to a calculated angle point;
- 5) N52°30'09"W a distance of 138.99 feet to a calculated non-tangent point of curvature of a curve to the right;
- 6) Along said curve to the right an arc distance of 1,274.92 feet, having a radius of 3,458.72 feet, and a chord which bears N19°25'33"E a distance of 1,267.71 feet to a calculated point of tangency; and
- 7) N29°59'08"E a distance of 421.69 feet to a calculated point at the northwest corner of said Parcel 09-1;

THENCE, with the north line of said Parcel 09-1, the following three (3) courses:

- 1) S60°37'51"E a distance of 116.20 feet to a to a calculated point;
- 2) N29°22'09"E a distance of 83.70 feet to a calculated point; and
- 3) S60°41'35"E a distance of 416.71 feet to a calculated point on the west line of the above-described Parcel 01-1 at the most northerly northeast corner of said Parcel 09-1;

THENCE, with the west line of said Parcel 01-1, the following five (5) courses:

- 1) N27°20'56"E a distance of 39.85 feet to a calculated angle point;
- 2) N49°43'26"E a distance of 65.85 feet to a calculated angle point;
- 3) N27°21'16"E a distance of 619.40 feet to a calculated point at an inside corner of said Parcel 01-1;
- 4) N62°38'24"W a distance of 5.00 feet to a calculated point at an outside corner of said Parcel 01-1; and
- 5) N27°21'36"E a distance of 617.35 feet to a calculated point on the south line of the above-described Parcel 16-1 at the northwest corner of said Parcel 01-1;

THENCE N62°22'51"W a distance of 40.60 feet to a calculated point on the east line of the above-described Parcel 23-1;

THENCE, with the east line of said Parcel 23-1, the following four (4) courses:

- 1) S27°22'35"W a distance of 618.29 feet to a calculated point for an outside corner of said Parcel 23-1;
- 2) N62°37'49"W a distance of 5.00 feet to a calculated point for an inside corner of said Parcel 23-1;
- 3) S27°22'11"W a distance of 618.51 feet to a calculated angle point; and
- 4) S73°40'29"W a distance of 69.55 feet to a calculated point at the southeast corner of said Parcel 23-1;

THENCE, with the south line of said Parcel 23-1, N60°41'02"W a distance of 339.91

feet to a calculated point on the east right-of-way line of State Highway No. 130 at the southwest corner of said Parcel 23-1;

THENCE, with the east right-of-way line of said State Highway No. 130, the following three (3) courses:

- 1) N30°02'29" E a distance of 1,101.68 feet to a calculated angle point;
- 2) N20°27'12" E a distance of 2,012.40 feet to a calculated angle point; and
- 3) N27°27'12" E a distance of 432.97 feet to a calculated point at the northwest corner of the above-described Parcel 23-3;

THENCE, with the north line of said Parcel 23-3, S62°04'21" E a distance of 608.26 feet to a calculated point on the west line of the above-described Parcel 14-1 at the northeast corner of said Parcel 23-3;

THENCE, with the west line of said Parcel 14-1, N27°45'52" E a distance of 393.68 feet to a calculated point at the northwest corner of said Parcel 14-1, also being the most westerly southwest corner of the above-described Parcel 01-2;

THENCE, with the west line of said Parcel 01-2, N28°07'17" E a distance of 224.92 feet to a calculated point at the southeast corner of the above-described Parcel 24-1;

THENCE, with the south line of said Parcel 24-1, N62°34'20" W a distance of 613.00 feet to a calculated point on the east right-of-way line of said State Highway No. 130 at the southwest corner of said Parcel 24-1;

THENCE, with the east right-of-way line of said State Highway No. 130, the following nine (9) courses:

- 1) N27°27'12" E a distance of 1,672.04 feet to a calculated angle point;
- 2) N32°27'12" E a distance of 1,894.71 feet to a calculated angle point;
- 3) N29°36'58" E a distance of 516.40 feet to a calculated point;
- 4) S61°16'47" E a distance of 91.29 feet to a calculated point;
- 5) N33°24'29" E a distance of 576.93 feet to a calculated point;
- 6) N61°16'47" W a distance of 126.37 feet to a calculated point;
- 7) N26°30'22" E a distance of 430.28 feet to a calculated point;
- 8) N61°16'47" W a distance of 56.58 feet to a calculated point; and
- 9) N27°27'30" E a distance of 956.84 feet to a calculated point at the intersection with the south right-of-way line of FM Highway No. 969, also being the northwest corner of said Parcel 24-1;

THENCE, with the south right-of-way line of said FM Highway No. 969, the following six (6) courses:

- 1) S64°07'08" E a distance of 395.49 feet to a calculated point;
- 2) S22°48'20" W a distance of 61.04 feet to a calculated point;
- 3) S67°11'40" E a distance of 110.00 feet to a calculated point;
- 4) N22°48'20" E a distance of 60.54 feet to a calculated point;
- 5) S77°33'00" E a distance of 201.73 feet to a calculated angle point; and
- 6) S65°03'31" E a distance of 381.97 feet to a calculated point at the northeast corner of the above-described Parcel 08-2;

THENCE, with the east line of said Parcel 08-2, S12°49'01" W a distance of 1,365.75 feet to a calculated point at an inside corner of the above-described Parcel 02-1;

THENCE, with the north line of said Parcel 02-1, S62°34'57" E a distance of 947.19 feet to a calculated point at the most easterly northeast corner of said Parcel 02-1;

THENCE, with the east line of said Parcel 02-1, S27°12'42" W a distance of 1,350.79 feet to a calculated angle point;

THENCE, continuing with the east line of said Parcel 02-1, S27°42'57" W a distance of 1,658.43 feet to a calculated point at the northeast corner of said Parcel 01-2;

THENCE, with the east line of said Parcel 01-2, S27°36'56"W a distance of 1,486.26 feet to a calculated point at an outside corner of said Parcel 01-2 on the north line of the above-described Parcel 04-1;

THENCE, with the north line of said Parcel 04-1, S62°13'13"E a distance of 697.01 feet to a calculated point at the northeast corner of said Parcel 04-1, also being the northwest corner of the above-described Parcel 19-1;

THENCE, with the north line of said Parcel 19-1, S62°14'53"E a distance of 461.49 feet to a calculated point at the southwest corner of the above-described Parcel 10-1;

THENCE, with the west line of said Parcel 10-1, N27°49'54"E a distance of 3,150.15 feet to a calculated point at the northwest corner of said Parcel 10-1;

THENCE, with the north line of said Parcel 10-1, S62°43'06"E a distance of 710.22 feet to a calculated point at the northeast corner of said Parcel 10-1;

THENCE, with the east line of said Parcel 10-1, S27°52'34"W a distance of 3,156.02 feet to a calculated point at the southeast corner of said Parcel 10-1, also being the northwest corner of the above-described Parcel 06-1;

THENCE, with the north line of said Parcel 06-1, S61°04'03"E a distance of 289.04 feet to a calculated point at the northwest corner of the above-described Parcel 12-1;

THENCE, with the north line of said Parcel 12-1, S63°22'55"E a distance of 457.28 feet to a calculated point at the northwest corner of the above-described Parcel 06-2;

THENCE, with the north line of said Parcel 06-2, S64°42'36"E a distance of 378.00 feet to a calculated point at the northwest corner of the above-described Parcel 20-1;

THENCE, with the north line of said Parcel 20-1, S70°09'59"E a distance of 400.67 feet to a calculated point at the northwest corner of the above-described Parcel 02-3;

THENCE, with the north line of said Parcel 02-3, the following three (3) courses:

- 1) S67°05'07"E a distance of 104.58 feet to a calculated angle point;
- 2) S53°35'54"E a distance of 105.83 feet to a calculated angle point; and
- 3) S55°41'48"E a distance of 206.91 feet to a calculated point at the northeast corner of said Parcel 02-3;

THENCE, with the east line of said Parcel 02-3, S28°01'49"W a distance of 899.00 feet to a calculated point on the north bank of the Colorado River at the southeast corner of said Parcel 02-3;

THENCE, with the meanders of the north bank of the Colorado River, the following fifty-nine (59) courses:

- 1) S78°57'26"W a distance of 265.40 feet to a calculated point;
- 2) S58°33'04"W a distance of 403.36 feet to a calculated point;
- 3) S27°53'07"W a distance of 24.17 feet to a calculated point;
- 4) S73°19'34"W a distance of 179.78 feet to a calculated point;
- 5) S80°40'33"W a distance of 284.45 feet to a calculated point;
- 6) N26°28'28"E a distance of 20.96 feet to a calculated point;
- 7) S75°36'26"W a distance of 293.31 feet to a calculated point;
- 8) S86°20'34"W a distance of 84.16 feet to a calculated point;
- 9) S79°42'18"W a distance of 141.79 feet to a calculated point;
- 10) S27°00'43"W a distance of 26.90 feet to a calculated point;
- 11) S78°05'41"W a distance of 99.68 feet to a calculated point;
- 12) S71°38'12"W a distance of 426.53 feet to a calculated point;
- 13) S58°35'29"W a distance of 276.51 feet to a calculated point;
- 14) S24°20'35"W a distance of 359.58 feet to a calculated point;

- 15) S08°24'01"W a distance of 300.61 feet to a calculated point;
- 16) S07°37'34"E a distance of 185.37 feet to a calculated point;
- 17) S02°25'49"E a distance of 59.41 feet to a calculated point;
- 18) S01°21'36"W a distance of 38.60 feet to a calculated point;
- 19) S08°00'24"E a distance of 41.40 feet to a calculated point;
- 20) S09°09'36"W a distance of 373.90 feet to a calculated point;
- 21) S31°59'36"W a distance of 107.30 feet to a calculated point;
- 22) S18°00'36"W a distance of 293.50 feet to a calculated point;
- 23) S30°25'36"W a distance of 112.00 feet to a calculated point;
- 24) S10°51'36"W a distance of 634.90 feet to a calculated point;
- 25) S02°34'36"W a distance of 30.70 feet to a calculated point;
- 26) S59°28'24"E a distance of 57.10 feet to a calculated point;
- 27) S03°40'24"E a distance of 310.40 feet to a calculated point;
- 28) S16°21'36"W a distance of 278.50 feet to a calculated point;
- 29) S17°53'36"W a distance of 322.40 feet to a calculated point;
- 30) S32°29'36"W a distance of 792.30 feet to a calculated point;
- 31) S18°11'36"W a distance of 184.90 feet to a calculated point;
- 32) N63°10'34"W a distance of 44.96 feet to a calculated point;
- 33) S19°04'38"W a distance of 21.49 feet to a calculated point;
- 34) S27°17'38"W a distance of 190.50 feet to a calculated point;
- 35) S23°12'38"W a distance of 266.20 feet to a calculated point;
- 36) S33°52'38"W a distance of 191.10 feet to a calculated point;
- 37) S61°12'38"W a distance of 280.40 feet to a calculated point;
- 38) S63°15'38"W a distance of 345.10 feet to a calculated point;
- 39) S72°35'38"W a distance of 285.20 feet to a calculated point;
- 40) N85°31'22"W a distance of 165.00 feet to a calculated point;
- 41) N72°50'22"W a distance of 150.00 feet to a calculated point;
- 42) N10°15'22"W a distance of 135.80 feet to a calculated point;
- 43) N04°17'22"W a distance of 37.00 feet to a calculated point;
- 44) N38°51'22"W a distance of 391.50 feet to a calculated point;
- 45) N12°14'22"W a distance of 40.00 feet to a calculated point;
- 46) N07°15'38"E a distance of 183.00 feet to a calculated point;
- 47) S47°45'38"W a distance of 386.10 feet to a calculated point;
- 48) S75°54'39"W a distance of 102.43 feet to a calculated point;
- 49) S71°46'05"W a distance of 154.03 feet to a calculated point;
- 50) S65°38'42"W a distance of 430.32 feet to a calculated point;
- 51) S49°58'20"W a distance of 207.45 feet to a calculated point;
- 52) S47°30'01"W a distance of 581.94 feet to a calculated point;
- 53) S58°05'16"W a distance of 199.26 feet to a calculated point;
- 54) S55°02'26"W a distance of 168.25 feet to a calculated point;
- 55) S66°49'36"W a distance of 424.33 feet to a calculated point;
- 56) S70°27'05"W a distance of 178.44 feet to a calculated point;
- 57) S73°49'29"W a distance of 103.82 feet to a calculated point;

58) S85°43'30"W a distance of 78.52 feet to a calculated point; and

59) S78°29'14"W a distance of 59.80 feet to the POINT OF BEGINNING, and containing 1,370 acres of land, more or less.

TRACT 2

BEGINNING at a calculated point at the intersection of the north bank of the Colorado River and the west right-of-way line of State Highway No. 130, at the southeast corner of the above-described Parcel 03-2, for the southeast corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the meanders of the north bank of the Colorado River, the following twenty-two (22) courses:

- 1) S76°37'38"W a distance of 1.87 feet to a calculated point;
- 2) S72°53'53"W a distance of 518.11 feet to a calculated point;
- 3) S75°14'11"W a distance of 517.88 feet to a calculated point;
- 4) S70°55'05"W a distance of 289.38 feet to a calculated point;
- 5) S81°58'40"W a distance of 118.79 feet to a calculated point;
- 6) S63°21'33"W a distance of 277.07 feet to a calculated point;
- 7) S49°47'25"W a distance of 47.81 feet to a calculated point;
- 8) S64°43'53"W a distance of 353.97 feet to a calculated point;
- 9) S62°39'35"W a distance of 626.81 feet to a calculated point;
- 10) S72°28'38"W a distance of 203.07 feet to a calculated point;
- 11) S85°12'41"W a distance of 191.20 feet to a calculated point;
- 12) N89°48'48"W a distance of 82.77 feet to a calculated point;
- 13) N83°17'50"W a distance of 141.54 feet to a calculated point;
- 14) N83°16'30"W a distance of 332.35 feet to a calculated point;
- 15) N72°21'14"W a distance of 159.08 feet to a calculated point;
- 16) N80°26'48"W a distance of 189.39 feet to a calculated point;
- 17) N79°57'59"W a distance of 91.38 feet to a calculated point;
- 18) S85°50'53"W a distance of 69.91 feet to a calculated point;
- 19) N78°28'45"W a distance of 123.84 feet to a calculated point;
- 20) N68°18'10"W a distance of 159.21 feet to a calculated point;
- 21) N80°39'08"W a distance of 135.80 feet to a calculated point; and

22) S78°59'06"W a distance of 43.91 feet to a calculated point at the intersection with the east right-of-way line of FM Highway No. 973, also being the most southerly southwest corner of the above-described Parcel 03-5;

THENCE, with the east right-of-way line of said FM Highway No. 973, N10°21'00"E a distance of 147.12 feet to a calculated point of curvature of a curve to the left;

THENCE, continuing with the east right-of-way line, along said curve to the left an arc distance of 623.12 feet, having a radius of 622.94 feet, and a chord which bears N18°18'22"W a distance of 597.46 feet to a calculated point at the most westerly southwest corner of said Parcel 03-5;

THENCE, with the west line of said Parcel 03-5, N27°38'58"E a distance of 2,173.14 feet to a calculated point at the northwest corner of said Parcel 03-5;

THENCE, with the north line of said Parcel 03-5, S62°35'52"E a distance of 953.15 feet to a calculated point in the west line of the above-described Parcel 03-7 at the northeast corner of said Parcel 03-5;

THENCE, with the west line of said Parcel 03-7, N27°51'48"E a distance of 830.67 feet to a calculated angle point;

THENCE, continuing with the west line of said Parcel 03-7, N27°04'22"E a distance of 660.77 feet to a calculated angle point;

THENCE, with the west line of the above-described Parcel 03-01, N27°16'45"E a distance of 2,498.68 feet to a calculated point at the northwest corner of said Parcel 03-1, also being the southwest corner of the above-described Parcel 28-2;

THENCE, with the west line of said Parcel 28-2, the following five (5) courses:

- 1) N23°25'44"E a distance of 14.81 feet to a calculated angle point;
- 2) N27°12'18"E a distance of 110.07 feet to a calculated angle point;
- 3) N27°08'13"E a distance of 109.97 feet to a calculated angle point;
- 4) N27°14'30"E a distance of 114.81 feet to a calculated angle point; and
- 5) N27°12'49"E a distance of 7.53 feet to a calculated point at the southeast corner of the above-described Parcel 27-1;

THENCE, with the south line of said Parcel 27-1, N62°40'24"W a distance of 1,722.95 feet to a calculated point on the east right-of-way line of FM Highway No. 973 at the southwest corner of said Parcel 27-1;

THENCE, with the east right-of-way line of said FM Highway No. 973, N27°14'18"E a distance of 2,115.67 feet to a calculated point at the intersection with the south right-of-way line of Harold Green Road at the northwest corner of said Parcel 27-1;

THENCE, with the south right-of-way line of said Harold Green Road, S62°58'47"E a distance of 1,685.22 feet to a calculated angle point;

THENCE, continuing with the south right-of-way line of said Harold Green Road, S49°54'08"E a distance of 37.29 feet to a calculated point at the intersection with the west right-of-way line of State Highway No. 130 at the northeast corner of said Parcel 27-1;

THENCE, with the west right-of-way line of said State Highway No. 130, the following six (6) courses:

- 1) S27°10'40"W a distance of 207.10 feet to a calculated point at the northwest corner of said Parcel 28-2;
- 2) S60°00'52"E a distance of 291.88 feet to a calculated point at the northeast corner of said Parcel 28-2;
- 3) S29°59'08"W a distance of 908.52 feet to a calculated angle point;
- 4) S12°44'41"W a distance of 849.11 feet to a calculated angle point;
- 5) S18°15'23"E a distance of 401.53 feet to a calculated angle point; and
- 6) S01°34'38"E a distance of 4,793.91 feet to the POINT OF BEGINNING, and containing 446 acres of land, more or less.

TRACT 3

BEGINNING at a calculated point on the west right-of-way line of FM Highway No. 973 at the northeast corner of the above-described Parcel 03-4, for the northeast corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the west right-of-way line of said FM Highway No. 973, S27°14'18"W a distance of 3,646.01 feet to a calculated point at the southeast corner of said Parcel 03-4;

THENCE, with the south line of said Parcel 03-4, N62°56'53"W a distance of 837.14 feet to a calculated point at the southwest corner of said Parcel 03-4;

THENCE, with the west line of said Parcel 03-4, the following three (3) courses:

- 1) N27°31'25"E a distance of 340.08 feet to a calculated angle point;
- 2) N27°26'49"E a distance of 1,634.23 feet to a calculated angle point; and
- 3) N27°36'28"E a distance of 1,688.35 feet to a calculated point at the northwest corner of said Parcel 03-4;

THENCE, with the north line of said Parcel 03-4, S61°47'25"E a distance of 818.72 feet to the POINT OF BEGINNING, and containing 69 acres of land, more or less.

TRACT 4

BEGINNING at a calculated point on the east right-of-way line of FM Highway No. 973 at the northwest corner of the above-described Parcel 11-1, for the most westerly northwest corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the north line of said Parcel 11-1, S62°59'56"E a distance of 1,705.04 feet to a calculated point on the west line of the above-described Parcel 22-1 at the northeast corner of said Parcel 11-1;

THENCE, with the west line of said Parcel 22-1, N27°24'34"E a distance of 854.85 feet to a calculated point on the west right-of-way line of State Highway No. 130 at the northwest corner of said Parcel 22-1;

THENCE, with the west right-of-way line of said State Highway No. 130, the following six (6) courses:

1) S62°02'37"E a distance of 70.21 feet to a calculated point at the northeast corner of said Parcel 22-1;

2) S12°37'58"W a distance of 1,453.45 feet to a calculated point of curvature of a curve to the right;

3) Along said curve to the right an arc distance of 557.08 feet, having a radius of 1813.67 feet, and a chord which bears S22°23'39"W a distance of 554.89 feet to a calculated point of tangency;

4) S31°31'30"W a distance of 319.97 feet to a calculated point at the southeast corner of the above-described Parcel 23-1;

5) N87°37'11"W a distance of 71.61 feet to a calculated angle point; and

6) N62°35'47"W a distance of 400.24 feet to a calculated point at the southwest corner of said Parcel 23-1;

THENCE, with the west lines of Parcels 23-1, 28-1 and 22-1, N27°24'44"E a distance of 1,293.45 feet to a calculated point at the southeast corner of said Parcel 11-1;

THENCE, with the south line of said Parcel 11-1, N62°59'56"W a distance of 1,705.16 feet to a calculated point on the east right-of-way line of said FM Highway No. 973 at the southwest corner of said Parcel 11-1;

THENCE, with the east right-of-way line of said FM Highway No. 973, N26°57'04"E a distance of 160.00 feet to the POINT OF BEGINNING, and containing 24 acres of land, more or less.

TRACT 5

BEGINNING at a 1/2" iron rod found on the east right-of-way line of FM Highway No. 973 at the northwest corner of the above-described Parcel 07-1, for the northwest corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the north line of said Parcel 07-1, S63°23'23"E a distance of 1,720.22 feet to a calculated point at the northeast corner of said Parcel 07-1;

THENCE, with the east line of said Parcel 07-1, a portion of said line also being the west right-of-way line of said State Highway No. 130, S27°27'34"W a distance of 5,047.34 feet to a calculated angle point;

THENCE, continuing with the west right-of-way line of said State Highway No. 130, S27°52'12"W a distance of 588.10 feet to a calculated point at the southeast corner of said Parcel 07-1;

THENCE, with the south line of said Parcel 07-1, N63°23'09"W a distance of 1,723.19 feet to a 1/2" iron rod found with cap marked "Brooks-Baker" on the east right-of-way line of said FM Highway No. 973 at the southwest corner of said Parcel 07-1;

THENCE, with the east right-of-way line of said FM Highway No. 973, the following three (3) courses:

- 1) N27°00'51"E a distance of 790.98 feet to a calculated angle point;
- 2) N27°35'51"E a distance of 4,186.86 feet to a calculated angle point; and
- 3) N27°44'31"E a distance of 657.55 feet to the POINT OF BEGINNING, and containing 223 acres of land, more or less.

The gross area contained within Tracts 1, 2, 3, 4 and 5 totals 2,132 acres of land, more or less.

SECTION 1.03. (a) The legal notice of the intention to introduce this article of this Act, setting forth the general substance of this article of this Act, has been published as provided by law, and the notice and a copy of this article of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and this article of this Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article of this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article of this Act have been fulfilled and accomplished.

SECTION 1.04. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2017.

ARTICLE 2. SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT

SECTION 2.01. The legislature finds that:

- (1) creation of the Southwestern Travis County Groundwater Conservation District:

(A) is consistent with the state's preferred method of groundwater management;

(B) will protect property rights, balance the development and conservation of groundwater with the needs of this state, and use the best available science in the area of groundwater through rules developed, adopted, and promulgated by the district in accordance with the provisions of Chapter 8871, Special District Local Laws Code, as added by this article; and

(C) will be a benefit to the land in the district and a public benefit and utility;

- (2) the district is created to:

(A) protect the interests of private property ownership while balancing the interests of all property owners in the district;

(B) manage groundwater resources; and

(C) protect the groundwater in the district;

- (3) although a property owner of land in the district is not entitled to an equal amount of water as another property owner of land in the district, a property owner does have a vested ownership interest in the groundwater beneath the owner's property, and the district shall recognize that ownership interest; and

- (4) the Southwestern Travis County Groundwater Conservation District is not created to prohibit or restrict development of private property in the district.

SECTION 2.02. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8871 to read as follows:

CHAPTER 8871. SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8871.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.*
- (2) "Commission" means the Texas Commission on Environmental Quality.*
- (3) "Director" means a board member.*
- (4) "District" means the Southwestern Travis County Groundwater Conservation District.*

Sec. 8871.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Travis County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8871.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution.

Sec. 8871.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2.03 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2.03 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

- (1) organization, existence, or validity;*
- (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond; or*
- (3) legality or operation.*

SUBCHAPTER B. TEMPORARY AND INITIAL DIRECTORS

Sec. 8871.021. APPOINTMENT OF TEMPORARY DIRECTORS; VACANCIES; TERMS. (a) Seven persons who reside in the district shall be appointed as temporary directors not later than the 90th day after the effective date of the article of the Act creating this chapter as follows:

- (1) the county judge of Travis County shall appoint one temporary director;*
- (2) the county commissioner for the county commissioners precinct in which the district is principally located shall appoint two temporary directors;*
- (3) the state representative who represents the house district in which the district is principally located shall appoint two temporary directors; and*
- (4) the state senator who represents the senate district in which the district is principally located shall appoint two temporary directors.*

(b) If a temporary director fails to qualify for office or a vacancy occurs on the temporary board, the remaining temporary directors shall appoint a person to fill the vacancy. If at any time there are fewer than four temporary directors, the state representative under Subsection (a)(3) shall appoint the necessary number of persons to fill all vacancies on the board.

(c) Temporary directors serve until the date initial directors are elected at an election held under Section 8871.024.

Sec. 8871.022. ORGANIZATIONAL MEETING. (a) Not later than the 45th day after the date on which the seventh temporary director is appointed under Section 8871.021, the temporary directors shall hold the organizational meeting of the district.

(b) The temporary directors shall select from among themselves a president, a vice president, and a secretary.

Sec. 8871.023. AUTHORITY OF TEMPORARY DIRECTORS. (a) Except as provided by Subsections (c) and (d) or as otherwise provided by this subchapter, the temporary

directors of the district have the same permitting and general management powers as those provided for initial and permanent directors under this chapter and Chapter 36, Water Code.

(b) The temporary directors or their designees have the authority to enter any public or private property located in the district to inspect a water well that is not exempt under Section 8871.103, as provided by Section 36.123, Water Code.

(c) Except as provided by Section 8871.024, the temporary directors do not have the authority granted by the following provisions of Chapter 36, Water Code:

- (1) Sections 36.017, 36.019, 36.020, and 36.059;*
- (2) Sections 36.105, 36.1071, 36.1072, 36.1073, and 36.108;*
- (3) Sections 36.171–36.181;*
- (4) Sections 36.201–36.204; and*
- (5) Subchapters J and K.*

(d) The temporary directors may regulate the transfer of groundwater out of the district as provided by Section 36.122, Water Code, but may not prohibit the transfer of groundwater out of the district.

Sec. 8871.024. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) The temporary directors shall order an election in the district, to be held not later than the uniform election date in May 2018, to confirm the creation of the district and to elect the initial directors.

(b) At the election held under this section, the temporary board shall have placed on the ballot the names of the candidates who are eligible under Section 8871.051 for each of the seven positions on the board.

(c) Section 41.001(a), Election Code, applies to an election held under this section.

(d) Except as provided by this section, an election held under this section must be conducted as provided by the Election Code and Sections 36.017, 36.018, and 36.019, Water Code. The following provisions of the Water Code do not apply to an election under this section:

- (1) Section 36.017(a);*
- (2) the provision of Section 36.017(d) governing ballot provisions for the election of permanent directors; and*
- (3) Section 36.059(b).*

(e) If the district's creation is not confirmed at an election held under Subsection (a), the candidate who receives a majority of the votes cast at that election for each of the seven positions on the board becomes a temporary director of the district. The temporary directors elected under this subsection shall order a subsequent election to be held to confirm the creation of the district and to elect the initial directors not earlier than the uniform election date in May 2020.

(f) Temporary directors elected under Subsection (e) serve until:

- (1) the date initial directors are elected at the subsequent election ordered under Subsection (e) if the creation of the district is confirmed; or*
- (2) the fourth anniversary of the date of the election held under Subsection (a) if the creation of the district is not confirmed.*

(g) The vacancy provision of Section 8871.021, and Section 8871.023, apply to the temporary directors elected under Subsection (e).

Sec. 8871.025. INITIAL DIRECTORS. (a) Promptly after an election has been held under Section 8871.024 and the votes have been canvassed, if the creation of the district is confirmed, the temporary directors shall:

- (1) declare for each board position the person who receives the most votes for that position to be elected as the initial director for that position; and*

(2) include the results of the initial directors' election in the district's election report to the commission.

(b) The initial directors shall draw lots to determine which three initial directors serve two-year terms and which four initial directors serve four-year terms.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 8871.051. **GOVERNING BODY; TERMS.** (a) The district is governed by a board of seven directors.

(b) Directors elected after the election held under Section 8871.024 serve four-year terms.

(c) The directors are elected as follows:

(1) one director must reside in the corporate limits of the City of Bee Cave and be elected by voters residing in the City of Bee Cave;

(2) one director must reside in the corporate limits of the City of Lakeway or Village of the Hills and be elected by voters residing in the City of Lakeway and Village of the Hills;

(3) one director must reside in the corporate limits of the City of West Lake Hills and be elected by voters residing in the City of West Lake Hills; and

(4) four directors must:

(A) reside inside the district and outside the corporate limits of the City of Bee Cave, City of Lakeway, Village of the Hills, and City of West Lake Hills;

(B) be elected by voters residing inside the district and outside the corporate limits of the City of Bee Cave, City of Lakeway, Village of the Hills, and City of West Lake Hills; and

(C) each use groundwater as a source of water supply for one or more beneficial uses at their respective residences.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8871.101. **GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES.** Except as otherwise provided by this chapter, the district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8871.102. **AQUIFER STORAGE AND RECOVERY PROJECTS.** The district may implement and develop aquifer storage and recovery projects in accordance with:

(1) Chapters 27 and 36, Water Code; and

(2) commission rules and guidance.

Sec. 8871.103. **EXEMPT WELLS.** (a) Groundwater withdrawals from the following wells may not be regulated, permitted, or metered by the district:

(1) a well used for domestic use by a single private residential household and incapable of producing more than 10,000 gallons per day; and

(2) a well used solely for domestic use or for providing water for livestock or poultry if the well is:

(A) located or to be located on a tract of land larger than 10 acres; and

(B) drilled, completed, or equipped so that it is incapable of producing more than 25,000 gallons of groundwater a day.

(b) The district may not charge or collect a well construction fee for a well described by Subsection (a)(2).

(c) A well used for dewatering and monitoring in the production of coal or lignite is exempt from permit requirements, regulations, and fees imposed by the district.

Sec. 8871.104. **PERMIT REQUIRED.** A well owner must obtain a permit and pay any required fees, including a well construction fee, before using any groundwater withdrawn

from a well for purposes other than those exempted by Section 8871.103.

Sec. 8871.105. ACCESS TO PROPERTY. (a) Subject to Subsection (b), an employee or agent of the district is entitled to enter public or private property in the district at any reasonable time to:

- (1) inspect an exempt well;
- (2) inspect and investigate conditions relating to the quality of water in the state; and
- (3) monitor compliance with any rule, regulation, permit, or other order of the district.

(b) An employee or agent of the district must obtain the permission of the property owner before entering public or private property.

(c) If any employee or agent of the district is refused the right to enter public or private property in the district under this section, the district may seek a court order from a district court authorizing the district to enter the land.

(d) An employee or agent who enters private property under this section shall:

- (1) observe the property's rules and regulations, if any, concerning safety, internal security, and fire protection;
- (2) notify management or a person in charge of the presence of the employee or agent; and
- (3) exhibit proper credentials.

Sec. 8871.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 8871.151. WELL CONSTRUCTION FEE. The district may charge and collect a new well construction fee not to exceed \$1,000 for a new well.

Sec. 8871.152. PERMIT RENEWAL APPLICATION FEE. The district may charge and collect a permit renewal application fee not to exceed \$400.

Sec. 8871.153. SERVICE CONNECTION FEE. (a) This section does not apply to a water utility that has surface water as its sole source of water.

(b) The district may levy and collect a water utility service connection fee not to exceed \$1,000 for each new water service connection made after September 1, 2017.

Sec. 8871.154. PRODUCTION FEE. The district may impose reasonable production fees on each well that is not exempt from permitting under Section 8871.103 based on the amount of water actually withdrawn from the well. The district may not impose a production fee under this section in an amount greater than 20 cents per thousand gallons.

Sec. 8871.155. ADMINISTRATIVE MANAGEMENT FEE. The district may set a reasonable fee for administrative management on a per well basis. The district may set a fee for administrative management on a well that is exempt from permitting in an amount not greater than \$40 per well, per year.

Sec. 8871.156. CERTAIN FEES PROHIBITED. The district may not charge a fee under Section 36.205(b), (c), or (f), Water Code.

Sec. 8871.157. LIMITATION ON AUTHORITY TO IMPOSE TAXES. The district does not have the authority granted by Sections 36.020 and 36.201–36.204, Water Code, relating to taxes.

SECTION 2.03. The Southwestern Travis County Groundwater Conservation District initially includes all the territory contained in the following area:

THE TERRITORY OF THE SOUTHWEST TRAVIS COUNTY PORTION OF THE HILL COUNTRY PRIORITY GROUNDWATER MANAGEMENT AREA—AS DESCRIBED BY 2010 TCEQ REPORT; “The southwestern Travis territory is located in the southwestern quarter of Travis County. The southwestern Travis territory is bound to the west by Blanco and Burnet counties, southwest by Hays County, and southeast by

the northwestern boundary of the Barton Springs/Edwards Aquifer Conservation District (BS/EACD). The northern boundary of the southwestern Travis territory is the Colorado River (Lake Travis, Lake Austin, and Lady Bird Lake).”

SECTION 2.04. (a) The legal notice of the intention to introduce this article of this Act, setting forth the general substance of this article of this Act, has been published as provided by law, and the notice and a copy of this article of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and this article of this Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article of this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article of this Act are fulfilled and accomplished.

SECTION 2.05. This article takes effect September 1, 2017.

Passed by the House on May 19, 2017: Yeas 137, Nays 7, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 4345 on May 26, 2017, and requested the appointment of a conference committee to consider the differences between the two houses; the House adopted the conference committee report on H.B. No. 4345 on May 28, 2017: Yeas 133, Nays 13, 1 present, not voting; passed by the Senate, with amendments, on May 24, 2017: Yeas 28, Nays 3; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; the Senate adopted the conference committee report on H.B. No. 4345 on May 28, 2017: Yeas 28, Nays 3.

Filed without signature June 12, 2017.

Article 1 effective June 12, 2017, Article 2 effective September 1, 2017.

**CREATION OF THE MIDLOTHIAN MUNICIPAL
MANAGEMENT DISTRICT NO. 3; PROVIDING AUTHORITY
TO ISSUE BONDS; PROVIDING AUTHORITY TO IMPOSE
ASSESSMENTS, FEES, OR TAXES**

CHAPTER 645

H.B. No. 4347

AN ACT

**relating to the creation of the Midlothian Municipal Management District No. 3;
providing authority to issue bonds; providing authority to impose assessments, fees,
or taxes.**

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3952 to read as follows:

CHAPTER 3952. MIDLOTHIAN MUNICIPAL MANAGEMENT DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3952.001. DEFINITIONS. *In this chapter:*

- (1) “Board” means the district’s board of directors.
- (2) “City” means the City of Midlothian, Texas.